

MINUTES
IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
PROGRAM

May 24, 2007

COMMISSIONER'S CONFERENCE ROOM
IOWA INSURANCE DIVISION, 330 EAST MAPLE STREET
DES MOINES, IOWA

Susan Voss, Chairperson, called the Iowa UST Board meeting to order at 10:05 A.M. A quorum was present. Roll call was taken with the following Board members present:

Jim Holcomb
Jacqueline Johnson
Nancy Lincoln
Liz Christiansen (for Richard Leopold)
Jeff Robinson

Also present were:

David Steward, Attorney General's Office
Scott Scheidel, Program Administrator
Lacey Skalicky, Program Administrator's Office
James Gastineau, Program Administrator's Office
Elaine Douskey, Iowa Department of Natural Resources
Tim Hall, Iowa Department of Natural Resources

APPROVAL OF PRIOR BOARD MINUTES

The minutes from the April 27, 2007 meeting were reviewed. Ms. Christiansen moved to approve the minutes, Mr. Holcomb seconded the motion, and by a vote of 4-0, the minutes were approved.

CLOSED SESSION

Ms. Voss noted there were no matters dealing with litigation for discussion in closed session pursuant to Iowa Code Chapter 21. Therefore no closed session convened.

PUBLIC COMMENT

Ms. Voss requested any comments from the public present. There were no comments at this time.

BOARD ISSUES

A. Legislative Update

Mr. Scheidel presented a memo to the Board summarizing the effect of 2007 Legislative Session on the UST Program. He explained that the Administrator's Office worked with the Department of Natural Resources (DNR) and stakeholders on a bill that made several changes to the regulation of underground storage tanks (UST's) and funding for leaking underground storage tanks (LUST's) going forward. The effects on the UST Program included the transfer of the authority regarding the Installer/Inspector Licensing Program, as well as, the Groundwater Professional Certification Program from the UST Board to the DNR. Also the bill would change the structure of no further action (NFA) funding, would provide express authority for the UST Board to reimburse the removal of upgraded UST's, and would create statutory authority for DNR to implement Federal Energy Policy Act requirements.

Lastly, Mr. Scheidel stated that the Legislature tapped the UST Fund for another \$3M for the General Fund for fiscal year 2008 to meet the significant spending increases proposed during this year's session. Mr. Scheidel also stated that the House environmental committee chairperson showed concern over the diversion and offered to begin the argument earlier next year, with help from the Administrator's Office, to prevent any appropriations to divert funds from the UST Fund during the 2008 Legislative Session.

B. Software Investigation Committee Meeting Update

Mr. Scheidel provided some background regarding the risk based corrective action (RBCA) model developed for the DNR between 1995 and 1997 by LaDon Jones of Digital Control, Inc. The model was authorized by statute, and rules were put into place regarding the use of the model software to use as a site assessment tool. The model input of site-specific data resulted in site-specific output including target levels to strive for to attain a low risk or no action required classification. Mr. Scheidel explained the model was calibrated based on very few sites, so a year ago it was proposed the model be recalibrated based on a significantly larger number of sites identified over the past 10 years to create a more accurate model based on actual conditions encountered at sites. He expected the re-calibrated model could shrink the long-term, projected plumes at a significant number of sites, which could in turn reduce the amount of remediation required at sites.

Mr. Scheidel reported to the Board that the final planning meeting for the software change discussions was scheduled for sometime in June. After that meeting, they would continue to meet to discuss the development of rules and implementation of the new software.

C. DNR Update

Ms. Douskey stated that the DNR hired two new environmental specialists to fill vacancies in the LUST Section of the DNR. Also, she explained that she had applied for and received

confirmation of a grant from the federal Environmental Protection Agency (EPA) to assist with the funding of the Corrective Action Facilitator position for another year. Also she received confirmation of a grant to fund half of the new legal position that was recently discussed at previous Board meetings. She had been informed that the legal position had been cleared by the Attorney General's Office, and paperwork had been filed with the Department of Administrative Services so that the hiring process could begin. Tim Hall summarized that the new legal position would assist the DNR with handling UST Funded sites' issues, as well as, certain legal procedures for sites regulated by other DNR sections. Also, he explained that the Board had already agreed, in concept, to assist with the funding of such a position, only in the absence of federal grant money. Although the DNR would continue to apply for federal grants, the approvals of such grants are never guaranteed. He stated that DNR staff would work with the UST Administrator and the Attorney General's Office to write the 28E agreement to solidify the Board's commitment for an agreed upon term. He also stated that Mr. Scheidel and Mr. Steward had already provided input regarding the legal position description for the DNR. Mr. Scheidel also stated the Board had requested to review a draft 28E agreement and benefit statement from the DNR regarding the legal position funding, and they would have the opportunity to vote on the approval of the 28E agreement at the July meeting.

Ms. Douskey explained that the DNR was holding meetings and developing rules to implement provisions within the Federal Energy Policy Act, including provisions on secondary containment and fuel delivery prohibition. Also, she stated the database for the installer licensing program was up and running, and she hoped to have Ms. Skalicky review and advise the UST Section regarding its functionality.

PROGRAM BILLINGS

Mr. Scheidel presented the current monthly billings to the Board for approval.

1. Aon Risk Services\$ 118,222.00
Consulting Services – June 2007 (\$65,638.00)
Claims Processing Services – June 2007 (\$52,584.00)
2. Attorney General's Office\$9,219.40
Services provided for Underground Storage Tank Program
April 2007 billing

No additional billings for outside cost recovery counsel were presented by the Attorney General's office for this meeting. On a motion by Ms. Christiansen and a second by Mr. Holcomb, the billings were approved by a vote of 4-0.

MONTHLY ACTIVITY REPORT

Mr. Scheidel noted that the April activity report, financial reports and opt-in report were in the Board packets. Because this was the first meeting for new Board members Jackie Johnson and Nancy Lincoln, Mr. Scheidel provided an overview of all of the sections within the monthly activity report emphasizing the steady decline in the number of open claims and the less steady

decline of reserve balances for claims. He explained corrective action meetings which are coordinated by the DNR between the claimant, DNR staff, and UST staff to discuss the direction to take regarding the remediation at a site. Also, he discussed the budget approval section of the report which tracks budgets received and approved for work to be completed at UST sites in number and dollar amount.

ATTORNEY GENERAL'S REPORT

Mr. Steward stated that apparently the Deputy Attorney General had approved the new attorney position for the Department of Natural Resources.

CLAIM AUTHORITY

Mr. Gastineau presented the following claim authority requests:

1. Site Registration 8604460 – City of Coralville

This was the third Board report for a site that was classified as no action required (NAR) with free product. The current remediation system appears to have resulted in a large decline in the quantity of free product at the site. Continued operation of the system was recommended until all free product has disappeared. The system will then be turned off and the site will be monitored for at least one year to confirm that free product does not reappear. If free product reappears, the system will be restarted. Previous authority to \$375,000 had been granted, of which \$361,870.80 was approved to date. Additional authority to \$512,000 was requested for continued free product recovery (FPR).

A motion to approve the claim authority was submitted by Ms. Christiansen and seconded by Mr. Holcomb. Approved 4-0.

2. Site Registration 9016672 – Folkedahl 66, Decorah

This site was classified high risk for soil leaching to protected groundwater source pathway and for the soil vapor pathway for a residential sewer. Soil gas sampling had failed. An excavation had been agreed upon in a Post-RBCA evaluation teleconference. Previous authority to \$75,000 had been granted, of which \$47,932.30 was approved to date. Additional authority to \$155,000 was requested for a site monitoring report (SMR) and implementation of the excavation.

Mr. Holcomb submitted a motion to approve the claim authority, and Ms. Christiansen seconded the motion. Approved 4-0.

3. Site Registration 8710551 – Battery Shack, Sioux City

This was the second Board report for this site that was classified high risk for the groundwater vapor to enclosed space pathway for one non-residential sewer and the soil vapor to enclosed space pathway for two non-residential sewers. Soil gas sampling failed prior to the installation of the system and had not been re-sampled since the system was installed. The groundwater

concentrations were currently below the high risk target levels, but some rebound in concentration could be expected following system shut-down. Free product was still present. It was recommended that the system operation continue for at least another 6 months to one year, followed by post-remediation monitoring and free product recovery. Previous authority to \$300,000 had been granted, of which \$311,050.31 was approved to date. Additional authority to \$435,000 was requested for operation and maintenance of the system, including utilities, a SMR and FPR.

Ms. Christiansen submitted a motion to approve the claim authority, and Mr. Holcomb seconded the motion. Approved 4-0.

CONTRACTS ENTERED INTO SINCE THE APRIL 27, 2007 BOARD MEETING

Mr. Scheidel noted that the Board had entered into one new contract since the last Board meeting. The contract was with Geode Environmental, LLC for the community remediation project in Galva, Iowa.

OTHER ISSUES

Mr. Scheidel noted that the Annual Strategic Planning Session of the Board was scheduled for Thursday, July 19, 2007 and would be held at the DMACC Campus in Ankeny, Iowa.

CORRESPONDENCE AND ATTACHMENTS

Ms. Voss asked if there was any further business, and there being none, Ms. Christiansen moved to adjourn, and Mr. Holcomb seconded the motion. By a vote of 4-0, the Board adjourned at 10:44 A.M.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Scott M. Scheidel". The signature is stylized with a large, looped "S" and a cursive "M".

Scott M. Scheidel
Administrator